

Message Text

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ACTION EUR-12

INFO OCT-01 ARA-06 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15 USIA-06 SAJ-01

SAM-01 EB-07 TRSE-00 OMB-01 SIL-01 LAB-04 EURE-00

IO-13 DHA-02 /095 W

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P R 021818Z NOV 76

FM AMEMBASSY LISBON

TO SECSTATE WASHDC PRIORITY 9052

INFO AMEMBASSY BONN

AMEMBASSY LONDON

AMEMBASSY MADRID

AMEMBASSY MOSCOW

AMCONSUL OPORTO

AMEMBASSY PARIS

AMCONSUL PONTA DELGADA

USMISSION NATO

DIA WASHDC

USCINCEUR VAIHINGEN GER

AMEMBASSY BRASILIA

AMEMBASSY SANTIAGO

C O N F I D E N T I A L SECTION 1 OF 2 LISBON 7498

E.O. 11652: GDS

TAGS: PINT PO

SUBJECT: PS CONGRESS REVEALS STRAINS

REFS: (A) LISBON 7123 (DTG 181815Z OCT 76), (B) LISBON 6803
(DTG 041814Z OCT 76)

SUMMARY: THE OCT 30 - NOV 30 SOCIALIST PARTY CONGRESS
STRESSED PARTY UNITY AND SUPPORT FOR THE GOVERNMENT, WHILE
DEMONSTRATING STRAINS WITHIN THE PARTY. THE FEARED INTER-
PARTY SPLIT DID NOT OCCUR. BUT THE LEADERSHIP'S
FAILURE TO BRING ALONG THE LEFT WING IS A REMINDER THAT
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SOARES WILL HAVE TO MOVE CAUTIOUSLY TO STIMULATE ECONOMIC

RECOVERY WITHOUT ALIENATING HIS BASE OF POLITICAL SUPPORT.
END SUMMARY.

1. PS CONGRESS REVEALS STRAINS: THE SOCIALIST PARTY NATIONAL CONGRESS HELD IN LISBON FROM OCT 30 TO NOV 1 STRESSED PARTY UNITY AND SUPPORT FOR THE GOVERNMENT BUT DEMONSTRATED CONTINUED STRAINS WITHIN THE PARTY. SOARES WAS UNANIMOUSLY REELECTED SECRETARY GENERAL; THE CONGRESS UNANIMOUSLY APPROVED HIS REPORT OUTLINING PAST ACTIONS AND FUTURE PLANS FOR THE PARTY. EFFORTS TO PERSUADE THE LEFT WING TO JOIN A SINGLE UNITY SLATE, HOWEVER, WERE UNSUCCESSFUL.

2. SOARES RALLIES PARTY: HIGHLIGHTS OF SOARES'S REPORT INCLUDED:
-- A STRONG CALL FOR PARTY UNITY AND UNEQUIVOCAL PARTY SUPPORT FOR THE PS GOVERNMENT.
-- A HARSH CONDEMNATION OF COMMUNIST ACTIONS, PAST AND PRESENT, DESIGNED TO CONVERT PORTUGAL INTO AN AUTHORITARIAN STATE.
-- A CALL FOR UNDERSTANDING AND COOPERATION, PARTICULARLY BY TRADE UNIONISTS, IN THE STRUGGLE FOR ECONOMIC RECOVERY.

3. LEFT WING SHOWS MUSCLE: SOARES FELL SHORT IN HIS EFFORTS TO EMPHASIZE PARTY UNITY THROUGH PRESENTATION OF A SINGLE NEGOTIATED LIST FOR THE LTL-MEMBER NATIONAL COMMITTEE. A RIVAL LIST PUT TOGETHER BY LEADERS OF THE PS LABOR COMMITTEE AND DELEGATES FROM THE LISBON AND SETUBAL FEDERATIONS MADE AN UNEXPECTEDLY STRONG SHOWING. THE OPPOSITION LIST GOT 210 VOTES, OR BETTER THAN 25 PERCENT, OF THE 810 VALID VOTES CAST.

4. LOPES CARDOSO BALKS: FROM THE STANDPOINT OF SOARES AND THE MODERATE PS LEADERSHIP, LEFT-WING LEADERS LOPES CARDOSO AND AIRES RODRIGUES WERE THE PRINCIPAL CULPRITS. BOTH WERE INSTRUMENTAL IN LEADING EFFORTS WHICH EVENTUALLY RESULTED IN PRESENTATION OF A SECOND LIST, DESPITE PREVIOUS AGREEMENT BETWEEN THE LEADERSHIP AND THE LEFT-WING
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ON A SINGLE LIST.

5. PRESSURES FROM BELOW: THE DYNAMICS OF THE CONGRESS HEAVILY INFLUENCED THE OUTCOME. A SOLID BLOCK OF DELEGATES, PRIMARILY REPRESENTING WORKING CLASS CONSTITUENCIES IN THE LISBON INDUSTRIAL BELT, LED BY LEFT-WING OUTSIDERS CARMELINDA PERREIRA AND JOSE LUIS MENDES, REFUSED TO GO ALONG WITH THE COMPROMISE

PREVIOUSLY WORKED OUT. CLEAR WARNING THAT THE ACCOMMODATION WAS IN TROUBLE DID NOT APPEAR UNTIL LATE IN THE EVENING OF OCT 31, WHEN LOPES CARDOSO CALLED FOR THE LIST TO BE RENEGOTIATED. HE PROPOSED THE ADDITION OF MORE "WORKER REPRESENTATIVES" WHILE DROPPING A NUMBER OF THOSE WHOM THE LEFT-WING REGARDED AS TOO CONSERVATIVE. SOARES, BUTTRESSED BY A SOLID MAJORITY OF THE NATIONAL SECRETARIAT, REFUSED.

6. CONCILIATION EFFORTS BREAK DOWN: BY THE MORNING OF NOV 1 IT WAS CLEAR THAT THE COMPROMISE EFFORT WAS ON THE ROCKS. THE WORD SPREAD AROUND THE FLOOR OF THE CONGRESS THAT FERNANDA LOPES CARDOSO, THE AGRICULTURE MINISTER'S WIFE, AND AIRES RODRIGUES WERE PUTTING TOGETHER A SECOND LIST. FURTHER EFFORTS AT COMPROMISE WERE UNSUCCESSFUL.

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INFO OCT-01 ARA-06 ISO-00 CIAE-00 PM-04 H-02 INR-07 L-03

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CORRECTED COPY (TEXT PARA 10)

7. WHO'S UP, WHO'S DOWN: ASIDE FROM PROVIDING SOARES WITH A UNANIMOUS VOTE OF CONFIDENCE, THE CONGRESS RESULTS CONFIRMED LEADING POSITIONS WITHIN THE PARTY LEADERSHIP FOR FRANCISCO SALGADO ZENHA, JORGE CAMPINOS; JAIME GAMA, AND MARIO SOTTOMAYOR CARDIA. MEMBERS OF THE SO-CALLED "GROUP OF 74," THOSE PARTY MODERATES WHO WERE KNOCKED OFF THE NATIONAL COMMITTEE DURING UNSUCCESSFUL COMPROMISE EFFORTS AT THE LAST CONGRESS, WERE ELECTED ON THE SOARES SLATE. THIS GROUPS INCLUDES: RUI MATEUS; BERNANDINO GOMES; CONFIDENTIAL

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ALFREDO BARROSO; AND VITOR CUNHA REGO. DESPITE THE STRONG SHOWING OF THE LEFT-WING, THE RESULTS COULD PUT THE SKIDS UNDER BOTH LOPES CARDOSO AND AIRES RODRIGUES. LOPES CARDOSO'S DECISION NOT TO ALLOW HIS NAME TO BE PLACED ON EITHER LIST, EFFECTIVELY REMOVES HIM FROM THE NATIONAL SECRETARIAT, SINCE NATIONAL COMMITTEE MEMBERSHIP IS A PREREQUISITE FOR SELECTION TO BE SECRETARIAT. LOPES CARDOSO'S DAYS IN THE CABINET MAY ALSO BE NUMBERED. AIRES RODRIGUES'S BREACH OF DISCIPLINE COULD COST HIM HIS SEAT ON THE SECRETARIAT AS WELL, ALTHOUGH THE STRONG LEFT-WING SHOWING AND POST-CONGRESS RECONCILIATION EFFORTS MAY SAVE HIM.

8. FOREIGN GUESTS ADD LUSTER: THE PRESENCE OF A GALAXY OF SOCIALIST INTERNATIONAL LEADERS, INCLUDING WILLY BRANDT, FRANCOIS MITTERAND, OLOF PALME, BRUNO KREISKY, AND FELIPE GONZALEZ, ADDED PRESTIGE TO THE CONGRESS.

-- BRANDT AND MITTERAND PLEDGED THEIR FULL SUPPORT TO PORTUGAL'S CONTINUED EFFORTS TO CONSOLIDATE DEMOCRACY AND PROMOTE ECONOMIC RECOVERY.

-- KREISKY DREW APPLAUSE WITH REFERENCES TO THE CONTINUED DIVISION BETWEEN DEMOCRATIC EUROPE AND COMMUNIST EUROPE.

-- GONZALEZ, WHO WAS GREETED BY STANDING OVATIONS EVERY TIME HIS NAME WAS MENTIONED, STRESSED THE NEED FOR UNITY BOTH IN SPAIN AND PORTUGAL.

9. OTHER HIGHLIGHTS: OTHER HIGHLIGHTS INCLUDED:

-- THE DECISION OF CABINET MEMBERS ALMEIDA SANTOS, RUI VILAR, EDMUNDO PERREIRA, AND SOUSA GOMES TO JOIN THE PARTY.

-- APPROVAL OF A MOTION RECOMMENDING TO THE GOVERNMENT THE BREAKING OF DIPLOMATIC RELATIONS WITH CHILE.

-- APPROVAL OF A MOTION CONDEMNING VIOLATIONS OF HUMAN RIGHTS IN BRAZIL AND ELSEWHERE.

10. COMMENT: THE PS EMERGES FROM ITS CONGRESS WITH SOMETHING LESS THAN THE HOPED FOR DISPLAY OF UNITY.
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BUT IT WAS AN IMPRESSIVE SHOW NONETHELESS. THE FEARED SPLIT WITHIN THE PARTY DID NOT MATERIALIZE. DESPITE SOARES'S OBVIOUS DISAPPOINTMENT AT HIS INABILITY TO BRING THE CONGRESS ALONG, THE RESULTS SHOULD STRENGTHEN THE PARTY.

-- THE REESTABLISHMENT BY THE LEFT-WING OF ITS CREDENTIALS CANNOT BUT IMPRESS THE MODERATE LEADERSHIP. PURGE TALK, USUALLY PREDICTED UPON ESTIMATES OF LEFT-WING WEAKNESS, SHOULD SUBSIDE.

-- THE CONGRESS DELIVERED A STRONG ENDORSEMENT OF THE GOVERNMENT'S PROGRAM, INCLUDING CONTROVERSIAL ECONOMIC RECOVERY MEASURES.

-- THE CONGRESS PROVIDED AN ENTHUSIASTIC KICK-OFF TO THE PS LOCAL ELECTION CAMPAIGN.

BUT THE LEADERSHIP'S FAILURE TO BRING ALONG THE LEFT WING IS OMINUS. IT IS A REMINDER THAT SOARES WILL HAVE TO CONTINUE TO MOVE CAUTIOUSLY TO STIMULATE ECONOMIC RECOVERY WITHOUT ALIENATING HIS BASE OF POLITICAL SUPPORT.

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